

### The current crisis of intensive work regimes and the question of social exclusion in industrialized countries

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**discussion paper**



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**The Current Crisis of Intensive  
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Enzo Mingione

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## **Abstract**

The aim of this article is to analyze the difficulties currently being faced by regimes of social regulation of economic life and the ways in which they are being transformed. In order to address this complex question, transformations in the labour market are examined. Emphasis is given in particular to the fact that the decline in life-time jobs has had a destabilizing impact on employment systems. This is true not so much in terms of reduced employment. In fact, numerous job opportunities have been created in the tertiary sector, though insecure and badly paid, but these jobs do not reflect the traditional standards of social regulation and therefore entail a weakening of the mechanisms of social integration and a growing risk of exclusion. At this point the theme of the heterogeneity and polarization of working careers in service society is introduced, highlighting in particular the variety of regulatory forms with their different and changing mixes of family, state and market. These policy mixes form the basis for the various models of welfare capitalism identified here.

Finally, consideration is given to the two main responses to this transitional phase in industrialized countries. On the one hand, in English-speaking countries which are characterised by intensive deregulation and the spread of flexible forms of work; on the other hand, in the countries of continental Europe where the redistributive modes of traditional welfare programmes have been preserved. Neither of these strategies, however, has produced new and lasting prospects for synergies between the economy and the society. Potential regulatory innovations would presuppose a reappraisal of modes of activity that are at present „invisible“ such as production for own consumption, family care, volunteer and charitable work and the creation of social capital. Political steps in this direction could lead to a new balance between state, market and family that would secure the level of cooperation needed for socially embedded economic life.

## **Zusammenfassung**

Der Aufsatz analysiert die gegenwärtigen Schwierigkeiten, mit denen verschiedene Regimes sozialer Regulierung der Wirtschaft konfrontiert sind, einschließlich ihrer Transformationspfade. Um dieser komplexen Fragestellung gerecht zu werden, werden zunächst die allgemeinen Veränderungsprozesse auf dem Arbeitsmarkt dargestellt. Besonderes Gewicht wird dabei auf die Tatsache gelegt, daß der Abbau von lebenslangen Arbeitsverhältnissen das Beschäftigungssystem massiv destabilisiert. Das bezieht sich nicht ausschließlich oder gar vorrangig auf die rückläufigen Beschäftigungsmöglichkeiten. Gleichzeitig sind nämlich im Dienstleistungssektor zahlreiche neue Arbeitsplätze entstanden - wenn auch in der Regel unsichere und schlecht bezahlte. Sie spiegeln ein geringeres Maß gesellschaftlicher Regulierung und implizieren damit eine schwächere soziale Integration sowie ein höheres Risiko sozialer Ausgrenzung. In diesem Zusammenhang werden die Trends zur Heterogenisierung und Polarisierung der Berufsbiographien in der Dienstleistungsgesellschaft thematisiert und dabei besonders die Vielfalt der länderspezifischen Mischungen von Zuständigkeiten von Familie, Staat und Markt dargelegt. Diese bilden die Grundlage für die in diesem Beitrag identifizierten Modelle wohlfahrtsstaatlicher Kapitalismen.

Es lassen sich zwei verschiedene Reaktionsmuster der Industriestaaten auf diese Veränderungsprozesse unterscheiden. Auf der einen Seite stehen USA und Großbritannien mit ihren ausgeprägten Deregulierungspolitiken und der Ausweitung von flexiblen Arbeitsverhältnissen; auf der anderen Seite die Länder Kontinentaleuropas, die auf die Beibehaltung der Transferorientierung traditioneller Wohlfahrtsprogramme setzen. Keine dieser Strategien führte jedoch zu neuen und dauerhaften Synergie-Effekten zwischen Wirtschaft und Gesellschaft. Die Möglichkeiten für innovative Regulierungen - so die hier vertretene These - sind daran gebunden, daß bislang „unsichtbare“ Produktionen aufgewertet werden, wie beispielsweise Produktion zum Eigenverbrauch, unbezahlte Tätigkeiten wie Familienarbeit, Solidarität und die Bildung von sozialem Kapital. Ein solcher Ansatz könnte richtungsweisend sein für ein neues regulatives Gleichgewicht, das den Mindestanforderungen an Kooperation Rechnung trägt und damit die Voraussetzung für ein sozial integriertes Wirtschaftsleben gewährleistet.

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## 1. The decline of standardized wage work and the rise of mass unemployment

In all industrial countries, the regulation of work is today beset by difficulties whose repercussions are rising long-term unemployment<sup>1</sup> and/or the spread of unstable forms of employment providing inadequate income. The result is an increase in social inequalities and chronic poverty in the form of social exclusion (Mingione, 1996a). What are viewed as the main causes of these difficulties - globalization and industrial restructuring, the demographic transition and population ageing, rising public expenditure to sustain ever more costly welfare systems (Esping Andersen, 1996) - are nothing other than the outcomes of the varied interweaving of market tensions and the forms of social regulation that allow work regimes to exist in a climate of social organization.

In this paper, the question of the current transition is examined starting from some basic assumptions. These are grounded on the idea that the forms assumed by society derive both from varied processes of historical change and from the persistence of differences that crystallize into models of society. In these models the tensions produced by growing individualism, technological progress and the extension of market relations interweave with diversified social reactions. The patterns of these reactions are depending on the particular responses in terms of sociality and culture that can be brought into play by the relevant actors or group of actors (Mingione, 1991 and 1997). The use of the concept of historical cycles starts from the assumption that the transformation of capitalist societies can be interpreted in terms of long cyclical processes of variable duration, characterized by a succession of short cycles of expansion and crisis (Arrighi, 1994). By focusing on capitalist societies rather than capitalism, a first historical cycle (end of XVIII century to world war one) can be identified, based on extensive social regulation that replaced traditional social institutions with others to ensure social order in the face of the spread of individualism, monetary consumption and wage work. During the second historical cycle (world war one to the economic crises of the 1970s), characterized by intensive social regulation, a selective social regime (family wage, stable adult male employment, breadwinning assets) compatible with the expansion of large manufacturing industry and rising labor productivity was perfected. It is since the crises of the 1970s that a new phase may have begun,

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<sup>1</sup> By international convention long-term unemployment is defined as seeking employment for a continuous period of twelve months. In almost all European countries, not only did the long-term unemployment rise as a share of total unemployment during the 1980s, but also the average number of months in unemployment increased, in some regions to over three years (Benoit-Guilbot and Gallie, 1995).

based on flexible or fragmented social regulation, characterized by deregulation, unstable family and work regimes, and the replacement of the quantity-profitability combination with that of quality-consumption and global financial and communication flows as hegemonic economic factors. Within this historical framework, the assumption is that we are now in a phase of transition from the intensive cycle, based on the synergy between the development of large institutional structures and economic growth, to a flexible and fragmented cycle where competition recovers its vigour and family and work biographies are more and more unstable and heterogeneous. Under the conditions of the transition, the problem, in general, is that those standardized forms of selection, division and protection of the labor supply that coincided with the higher and higher levels of productivity imposed by the intensive cycle, particularly during the last phase called "Fordism", are no longer adequate. Within this paper, attention is focused on employment changes in the various national and local<sup>2</sup> contexts, and it is assumed that the changes under way tend to produce a deficit of social integration in various forms, which is reflected in the emerging question of exclusion.

In this section I start by arguing that industrial restructuring and the decline of stable contractual employment in large concerns have destabilized the social regulation of work everywhere in the industrialized world. This process has produced a mix of two syndromes - increasing unemployment and the diffusion of precarious forms of work - that are equally undermining the traditional „Fordist“ regulation regimes. These balanced through various forms of redistribution the direct access to resources and the capacity for survival and social and cultural integration. In the second section I take a closer look at the service employment regimes as they matured differently in the various models of welfare capitalism. I argue that it is mainly the expansion of service jobs which is producing employment polarization and the precarization of working biographies. In the third section I explore how the diffusion of flexibility, precariousness and low-income jobs is constituting an open wound in the regulation regimes favouring increasing trends towards social exclusion. In the concluding section I compare the two predominant political responses to the transitional trends: neoliberal strategies favouring the flexibilization of working experiences and the radical defence of welfare regimes and institutions. I argue that they are both insufficient for creating new trends in economic development accompanied by the social bonds necessary for a workable level of social cooperation and integration.

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<sup>2</sup> The basic politico-geographical unit on which industrial societies are constructed are the nation-states as they formed during the extensive cycle and developed institutionally during the intensive phase. The transition poses some problems also in this regard, above all because the nation-state is gradually losing its regulatory capacity to the benefit of both supra- and sub-national entities. It is for this reason that here, although the basic societal unit considered is almost always still the national one, reference is made to localities and regions and to supra-national entities such as the European Union.



The employment systems have been subjected to changes, at a faster rate after the 1970s oil crises, that have as their hub combinations of deindustrialization - declining employment in big manufacturing industry - and tertiarization - growing employment in more or less innovative and advanced, public and private services. Following these changes, overall employment has gone up in some places (above all the US, Japan and the Scandinavian countries, but also in those European regions characterized by dynamic micro firms) and down in others (in almost all countries in central and southern Europe). In all of them, however, it has become more heterogeneous and less marked by the standard of continuous employment with family income for the head of the household, based on standard labor contracts and legally authorized forms of self-employment (Supiot, 1994), thus making it necessary to redesign the mechanisms of social regulation. It is this process that is reflected in increasing problems, greater fragmentation and new boundaries between the included and the excluded.

Deindustrialization and industrial restructuring have resulted from the big increases in productivity that characterized the manufacturing cycle in the golden age of the thirty years following world war two. The oil crises and local cyclical crises have helped to intensify an essentially structural process. Such big increases in the productivity of labor in the concentrated productive sectors, above all consumer durables, are in the long run reflected in decreased employment since they cannot be sustained indefinitely by exponentially rising consumption in Western industrial countries and export markets are under strong competition. Globalization and industrial restructuring have complicated the picture by promoting the entry on the scene of new zones of production (in particular the Asiatic tigers) and various forms of relocation and reorganization of large companies.

Declining employment in large companies, on which was centred the regulation combining selection of supply and conditions of high productivity at all skill levels of the workforce, is having a destabilizing impact on work systems even where unemployment is not going up. The effect is the diminishing of the benign circuit that balances the modes of regulation against the rises in productivity. Socialized in the industrialized world in terms of continuous and high-productivity careers at an income in line with a high cost of living, a growing share of the labor supply can no longer find suitable forms of employment. All the industrial countries are thus entering into a phase of chronic excess of labor. This is not an absolute excess and in fact numerous work opportunities are appearing in the tertiary sector, though many are too unstable and poorly paid to match potential workers' life expectations and strategies. What we have, then, is an imbalance that is affecting the very modes of work regulation. This also explains why the phenomenon has led to different syndromes, which have generally been put down to the greater virulence of industrial restructuring or the failure of economic policies, factors that on the contrary have not been of decisive importance.

The two most evident negative syndromes from the crisis in the regulative balances have been rising levels of long-term and mass unemployment and the spread of precarious inadequately paid jobs, both accompanied by heightened social inequality. The first syndrome is typical of some European countries while the second has its epicentre in the US. But in all cases, we find complex mixes of phenomena relating also to self-employment and small firms, the welfare system and the social profile of the unemployed and of precarious workers. This mix affects in different ways the repercussions for life strategies deriving from a more or less long period of job-seeking or a work situation that does not enable reproduction of labor power under existing conditions of social and cultural integration.

As against the low levels of the early 1970s, the rise in unemployment has hit all advanced industrial countries, though at different times and in various ways<sup>3</sup>. It has been more massive in European countries, which has also to do with the increased waiting times and hence the share of the long-term jobless. It is especially with regard to the latter that the nature of the problem, that is the crisis in labor markets regulation, is more apparent. Practically in every case, prolonged joblessness has been concentrated among subjects whose personal and social characteristics entail the unacceptability of downgraded working careers but who, at the same time, find no alternative work and are in one way or another sheltered by various combinations of state subsidy and family help. In the countries of southern Europe they are predominantly the young, even those with average levels of school achievement, maintained by their families of origin. In Germany, they are often adults near to retirement age and assisted in surviving by unemployment benefit and the minimum income subsidy. In all European countries, unemployment is prevalently female, except for the UK where women seek and find part-time jobs while men cannot afford to do this. Lastly, the Scandinavian countries, which once seemed immune<sup>4</sup> have been hit by unemployment. Here the importance of the regulative question has been even more manifest. The difficulty in absorbing the new generations of labor supply by the private sector has been offloaded onto the public sector, which to meet the growing cost-induced financial crisis (in the Scandinavian countries the unemployed are entitled to quite a high benefit as one of the social rights of citizenship) has been forced to drop some secondary spending plans, thereby causing unemployment to rise within a spiralling effect difficult to check.

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<sup>3</sup> See in this regard, among others, Malinvaud, 1984; D'Iribarne, 1990; Benoit-Guilbot and Gallie, 1995; Reyneri, 1996.

<sup>4</sup> It first set foot in Denmark, where in the 1980s it settled at levels higher than the European average. Then it erupted in Finland, rising rapidly to extremely high levels and, finally, reached Sweden at the beginning of the 1990s. Here it exploded in the space of a few months from a negligible 2% up to medium-high rates of 8 to 10%, where it then settled.

The fact that the employment crisis is rooted in the systems for regulating work regimes makes it difficult to deal with and leads to numerous misinterpretations. An example is the question of the education level and occupational qualifications of the jobless. As often<sup>5</sup> unemployment hits poorly educated and qualified subjects, politicians and academics think that its main cause lies in the oversupply of poorly qualified labor and, consequently, the best way to combat it is to raise the level of education and occupational training of the masses<sup>6</sup>. In reality, the picture is more complex. Poorly educated subjects do not find work - or, more frequently, are forced to accept downgraded work careers - because the typically Fordist combinations of semi-skilled labor and high levels of productivity that permitted acceptable standards of living are disappearing<sup>7</sup>. This situation cannot be redressed by raising the general level of education and training, which always ends by pushing up the minimum qualifications for obtaining a job, but rather by aiming for new acceptable balances starting from the transformation of what are now downgraded and unacceptable work careers. The fact is that in the industrial countries the jobless are not such as a result of being poorly educated or qualified but because - at least if they have practical alternatives, that is are not literally starving to death without work - they shun being caught up in work careers that do not provide for reproduction at satisfactory levels of social and cultural integration in the community of belonging and almost inevitably lead to social exclusion. This is precisely where the difference lies between the US and continental European countries (Esping-Andersen, 1996). The most accurate indicators of the difference are those for the

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<sup>5</sup> Italy represents in part an exception since the incidence of unemployment is persistently higher among those with secondary-school diplomas than those without (see Reyneri, 1996, chap. 6). This exceptional case is easily explainable by reference to the modes of social regulation. Since the unemployed are prevalently young southerners, and most of these female, we have to take into account both that poorly educated young southern females are dissuaded from entering the official labour market and that poorly educated males from low-income families cannot afford to spend long looking for a good job and thus end up accepting downgraded work careers. Given that the latter often fall back into intermittent unemployment while, after a long wait, those with a secondary-school diploma find permanent employment, at over 25 years of age, Italy ceases to be an exception because the incidence of unemployment among poorly educated subjects becomes once again high (Pugliese, 1995 and 1995a; Mingione and Pugliese, 1995).

<sup>6</sup> Esping-Andersen (1995; 1996) insists a great deal on this point, particularly as regards the countries of southern Europe. He is not alone in this respect as almost all observers maintain that interventions in education and training are decisive regardless of social regulation and of existing work opportunities. Also, the long-term evidence on the ineffectiveness of occupational training courses for the unemployed in areas of high joblessness has been explained by the poor quality of such courses rather than by serious underlying problems.

<sup>7</sup> The process began even earlier with the gradual disappearance of Taylorist forms of work organization (such as assembly lines), in which an unskilled worker with little education, experience or job training can be integrated into a, relatively speaking, high-productivity work organization.

population under the severe poverty line (the American poverty line, which measures absolute poverty, is now more or less equivalent to the relative poverty line used in Europe but calculated at 40%). While the share of the population below this threshold in the US stands in the 1990s at 14% (35 million) with the quota of children rising to 20% (13 million), in continental Europe the estimate for severe poverty is around 8% (under 20 million) of the population with a similar percentage for children (under 5 millions). On the other hand, the average unemployment rate in continental Europe (11%) is today more than twice that in the US (5%).

The transition in employment is complicated by the fact that nowhere is it possible to speak of an absolute antithesis between good and bad occupations, the latter always destined to pull subjects towards social disintegration and exclusion. This question is analysed in more detail in the next section in the context of tertiarization and employment polarization. Here, mention must be made of the, often neglected, problem of the possible connections between transition in employment, mass unemployment and self-employment or employment in small enterprises that persist and remain more extensive and flexible than where wage labor is used.

The fact that the highest unemployment levels of the last twenty years are to be found in places, like Spain or southern Italy, where many traditional micro enterprises persist even outside of agriculture, implies that an explanation should be sought also in this area of employment regimes. At a high level of productivity and mass consumer culture that compels the less innovative micro enterprises to push cost-cutting and the extension of their activities to their extreme limits so as to compensate for the productivity gap, the jobs they offer also become impracticable work itineraries, above all for young people who have attained a minimum degree of education. This explanation has already been widely accepted with regard to agricultural activities, but more recently it has been extended to artisanal and commercial undertakings that have been unable to embark on an innovative course: the entire area of retail and street trade, repair and traditional handicraft shops and so on. The same argument also helps to explain the different levels of unemployment between on one side Spain and southern Italy and, on the other, Portugal and Greece. In the latter two cases, characterized by unemployment levels below the European average<sup>8</sup>, work opportunities in traditional micro enterprises are still in part feasible given the lower level of local productivity and the climate of lower expectations and weaker conditions of social integration. Similar reasoning can be applied to the difference in the US between some minority groups (especially Afro-Americans and Puerto Ricans), hit harder by unemployment and less engaged in

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<sup>8</sup> Whereas the level of unemployment in Greece and Portugal (between 4 and 8%) has always been lower than that in Spain and Southern Italy (between 15 and 25%) the characteristic phenomena are the same: a high concentration among young people of first-job seekers and long-term unemployed, generally with no benefit (IARD, 1996).

micro entrepreneurship, and recent immigrants, conversely more active as ethnic entrepreneurs and in bad jobs and less affected by unemployment.

## 2. The polarization of work experiences in service societies

The restructuring of manufacturing industry has helped to make the job scene more heterogeneous by decreasing guaranteed jobs in the large companies and increasing them in the secondary segment, in the small subcontracting firms, in the areas of decentralization and relocation and in the newly developing semi-peripheral regions. However, the quantitative extent of industrial restructuring has been relatively modest when compared to its destabilizing impact on labor regulation systems. They have never depended on manufacturing industry being homogeneous or involving most of the population but, rather, on the employment conditions typical of big industry constituting the parameter for work regime regulation. This framework was effective under two preconditions: a cycle of expansion and concentration of industrial employment and the conditions typical of high-productivity manufacturing industry being able to impact on all modes of employment, inducing adjustments and restrictions also in self-employment and in micro enterprises<sup>9</sup>. Deindustrialization has disrupted this picture. Moreover, employment changes in manufacturing, which observers are right to pay close attention to since they are connected with what is still the central parameter of regulation, affect an ever smaller part of the employment landscape in the advanced economies. Here the majority of the working population (over 60%) is employed in the tertiary sector and practically all new jobs are created in services. The heterogeneous and polarized nature of contemporary employment regimes derives chiefly from the features of the tertiary sector, which is subjected to a growth dynamic unlike that typical of manufacturing industry. In order to understand what is taking place in the world of work, we therefore need to examine closely the question of employment regimes in the tertiary sector (Sassen, 1991; 1996).

Employment in the tertiary sector is of great importance not only due to its quantitative predominance but also because it is characterized by a great variety of regulative forms - those diverse combinations of care work undertaken by family members, public services and private services that make up one of the parameters on which the models of welfare capitalism are constructed. The determination of the different models of welfare capitalism is based principally on state, market and family as the main sphere for social regulation, the aim of which is to ensure individual and family welfare and thus solve the problem of

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<sup>9</sup> Take, for example, the impact of "workers' statutes of rights" that have been agreed on and formulated in the big manufacturing companies, but have then had direct or indirect regulative effects on almost all areas of employment by fixing a central standard for work careers, adopted as a parameter for the configuration of other jobs.

social order. Following this line of thought, Esping-Andersen (1990) distinguishes three models of welfare capitalism: the liberal model (US, UK), characterized by a relative prominence of the market and a pronounced individual dependence on monetary income from wage work; the social-democratic model (Scandinavian countries), in which the state takes on a central role in the direct universalistic supply of welfare services thereby limiting individual and family reliance on market-produced income; and the conservative model (continental Europe), which is marked by the more central position of the family and voluntary organizations, manifested in the spread of self-employment and small and medium-sized family enterprises. In a recent work (Mingione, 1997) I have put forward the hypothesis that during the intensive historical cycle, the models of welfare capitalism increased to at least five. The reason is that the liberal model divided into a populist variant (US) and more statist versions and, above all, after world war two there was a clear divergence within the conservative area between statist variants characterized by the influx of guest workers (central Europe) and familistic variants characterized by weaker and more diversified development and by the persistence of emigration. This variety, moreover, has the big effect of diversifying the quality of life for different groups in diverse social contexts. It is therefore reasonable to assume with much prudence that, at least in part, the main regulative axis of employment systems is shifting from the manufacturing to the service sector.

We will start from an economic interpretation of the typical dynamics in the tertiarization process and then add some remarks on work regulation<sup>10</sup>. The line of interpretation is based on two assumptions. The first rests on Ernst Engel's law of the hierarchy of consumption at varying income levels. According to this law, industrial development engenders a rise in the propensity to consume along a scale with at the bottom the satisfaction of minimum subsistence needs, first of all for food, clothing and shelter, and at the top luxury goods and, above all, sophisticated services inessential for physical survival. Economic growth and the consequent rise in average income lead to a more than proportional increase in the demand for services. The second assumption lies in the consideration that the several branches of the economy vary in their capacity to increase labor productivity through organizational and technological innovation. A large part of the tertiary sector is, for technical reasons, at least partly impervious to increases in labor productivity. Organizational and technological innovation more often serves to improve the quality of the service or to mass market it. Consequently, a persistent technological and productivity gap is opened up with negative repercussions on the employment regime. Services, in particular those with a lower potential for increasing labor productivity, are witnessing marked rises in costs and prices caused by the need to raise employed workers' incomes so they can keep up with rising costs and living standards, driven up in turn by increases in productivity in the other branches of the econ-

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<sup>10</sup> Generally speaking, this line of interpretation is similar to that used by Gershuny (1978; 1983; and Miles, 1983) to explain the emergence of the self-service society.

omy. Within the process of tertiarization, the combination of the two assumptions entails an exponentially expansive circuit fed, on one side, by rising demand as a consequence of economic growth and, on the other, by persistently low productivity, reflected in tendencies towards big jumps in employment that are difficult to check through technological labor-saving strategies and faster work tempos.

At this point, what we have is a plausible explanation for the expansive cycle of employment in the tertiary sector, which does not however square with the dominant modes of social regulation, where selection and profitability of labor adapt to increases in productivity. Hence the argument unfolded so far does not explain why this circuit has not been curbed by severe crises in costs and prices. In reality, tertiarization is accompanied by a variable mix of combinations, starting from the development of the welfare state, that up to a certain point explains the durability of the staggering growth and, at the same time, shows how conflicts have arisen in the work-regulating regimes.

In short, the issue in its varied forms in the diverse contexts is the following. Tertiarization produces a growing proportion of low-productivity work opportunities - their low productivity has nothing to do with their social utility - that are not in principle compatible in terms of income, stability and employment guarantees with the costs and life strategies of the community of belonging; hence they do not reflect the conditions of the dominant social regulation and lead to a weakening of the social integration mechanisms and growing risk of social exclusion. Up to a certain point, this conflict does not reach unsustainable levels because the modes of regulation keep it under control through various combinations of four different modes. The first is expansion in welfare services supplied directly by the state. In the second case, a persistently large part of the demand for services is borne by families, with innovations in unpaid female care work which are financed through a mix between strong fiscal implementation of family wages, on one side, and discouragement of female paid work and developments in care specialization, on the other side. Next we have the development of self-servicing to include the user's unpaid labor at the supply stage (restaurants, shops, department stores, petrol stations, and so on)<sup>11</sup>. Above all, ways of working are spreading that in themselves do not offer sufficient guarantee of integration, but where social compatibility derives indirectly from the activity's complementary profile (multiple jobholding, part-time work by married women, occasional jobs done by students, etc) or from its temporary consonance with workers' life conditions and projects, particularly in the case of immigrants. What remains to be understood are the social consequences of diverse mixes and the reasons for which all possible

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<sup>11</sup> Gershuny gives an extensive interpretation of self-service, which also includes the use of the motor-car as a means of transport (in place of the train or tram) or the spread of television to replace other free-time recreational services, such as cinema and theatre.

combinations are today inadequate for shoring up the intensive regimes of working activity regulation.

The models of welfare capitalism have developed combinations that include all the components. However, the predominance of public services is typical of the social-democratic model. The liberal (or *laissez-faire*) model is characterized by prevalence of private services, which entails the vigorous growth of poorly guaranteed and badly paid jobs. Lastly, the conservative variants have displayed a greater propensity for keeping a sizeable share of care services inside the family, carried out by unpaid female labor. In the long run, all three itineraries tend to destabilize the social regime, though in different ways. The social-democratic path is in difficulty because it feeds a circuit of high-cost and rising public spending, generating in addition an employment ghetto for women that leaves the question of gender inequality unresolved. Once built, this gilded cage (desired by a large part of the moderate left throughout the world as it keeps social inequalities at minimum levels in a climate of political liberty) is difficult to get to grips with at its weak points: the high cost of welfare and the ghettoization of female labor. The *laissez-faire* path is directly disrupted by employment polarization, which once the limits of compatibility with the regulative regime have been passed, engenders rampant chronic poverty. It is here that employment polarization is immediately apparent whereas in the social-democratic path it is concealed by the particular conditions of employment in public services and in the conservative path by the high shares of unpaid female domestic and care work. The latter path has not entered into crisis so much for the more predictable reason of its lesser capacity for economic growth. This obstacle has been overcome, at least in the dynamic variants, by encouraging innovative solutions both in domestic and care strategies and in small family enterprises in general. Growing tensions have derived, rather, from the fact that even the combination of innovative families and basic public services cannot hold out beyond a certain level of growth in tertiarization and the parallel fragmentation of the social fabric. Here, too, difficulties arise due to the high cost of public welfare, though in different terms to those in the Scandinavian countries<sup>12</sup>; in addition, families (women) are unable to withstand beyond a certain point the excessive load of responsibility in the systems of caring, above all under demographic conditions characterized by family instability and the multiplication of increasingly sophisticated and special care needs within a heavily bureaucratized framework.<sup>13</sup>

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<sup>12</sup> In the case of the conservative variants, the unsustainable circuits of public spending are produced by the transfers to families, pensions systems, measures in favour of greater selectivity of the labour supply and the cost of caring (Esping-Andersen, 1996).

<sup>13</sup> The implementation of the conservative variants of welfare capitalism comprise various contradictions that have not been explored in depth, also because they rarely find expression in the monetary and financial forms which attract the attention of scholars and politicians. Think for instance of the tensions between, on the one hand, the development of women's individual identities and access to education and specialization, necessary also



As Gershuny (1978) point out, the spread of self-service is the only element in the mix that is, in theory, compatible with systems of regulation and hence able to curb the destabilizing circuits of tertiarization. Rising demand for services gives rise to demand for durable goods for self-provision of these same services; such goods include motor-cars, video-recorders, computers, vending machines, do-it-yourself tools. Low-productivity labor is supplied at no cost by the user without any serious repercussions in terms of social inequalities while, in general, the firms producing the durable goods are able to raise productivity and, by reducing working hours, give their workers more time to dedicate to self-service. However, Gershuny's hypothesis notwithstanding, no society today can be seen to be moving towards generalized self-service, even though its technical and organizational potential is widely exploited in all social contexts starting with the laissez-faire variants in which the marked spread of self-service has checked neither tertiarization nor manifest employment polarization. The self-service factor complicates the picture of the transformations in industrial societies, but it seems unable to lessen the tertiarization circuit's destabilizing impact on employment regimes, which cumulates in the other three components in the mixes. On the contrary, self-service appears to be more consonant with laissez-faire regimes and to accentuate further tendencies towards inequalities, employment polarization and social exclusion.

This incapacity on the part of self-service transformations to modify the destabilizing effects of tertiarization can be explained. The qualitative and interpersonal nature of the process of utilization in many services makes a generalized extension of self-service impossible. The impact of inequalities is seen in the difficulty in adapting to the standard conditions of self-supply; there are some wealthy subjects who continue to be the receivers of services and many poor or disabled subjects who are unable to use self-service and are thus disadvantaged by the spread of self-service systems. Furthermore, an important limit to self-service transformations<sup>14</sup>, understood in the broad sense of, for example, the revolution in private car transport or that in television and informatics, lies in their requiring costly public investment, which reduces the flexibility and reversibility of public spending and in any case gives further impetus to tertiarization. Consider the impact of the transformation of transport systems to the benefit of private cars. It has underpinned expansion in a branch of

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in order to implement the role of housewife in advanced bureaucratized societies and, on the other, the persistent discouragement of educated women to start paid work.

<sup>14</sup> According to Gershuny and Miles (1983: 84-5), a transformation along self-service lines in the broad sense, not just simply the spread of self-service shops, restaurants or petrol stations, depends on four preconditions: "1) investment in equipment (and purchase of necessary materials), typically by the individual or household seeking the service (e.g. cars, TV, petrol), 2) collective investment in material ('hardware') infrastructure (e.g. roads, broadcasting networks); 3) provision of non-material activities ('software-activities', e.g. TV programmes), and other intermediate consumer services (such as maintenance of domestic equipment); unpaid 'informal' labour, using the first three elements to produce the final service-functions (e.g. driving a private car)."

manufacturing (the motor industry) that is subject to increases in labor productivity and became the symbol of the intensive historical phase. At the same time, it diverted a large part of public investment from collective transport to the building of infrastructures for the motor-car. This has helped to widen the inequality between those who can afford a car and the users of public transport, less efficient and more expensive following decreased investment. And it has impeded neither the rise in public spending (in a certain sense, it has fed it by opening up a new front for expenditure that could in no way entirely replace that on collective transport) nor tertiarization, which has been fuelled by the proliferation of car-repair shops, car and spare parts dealers, petrol stations and so on.

In conclusion, the polarization of employment regimes, brought about more by tertiarization than industrial restructuring, is as things stand unstoppable even if in some variants of welfare capitalism it is partially hidden by higher proportion of public employment at relatively subventioned conditions and in others by the persistence of unpaid female care of family members. None of these modes, however, allows the regulative balances that developed with the expansion of manufacturing to resist fully. The critical tensions have not been engendered so much by overproduction of poorly educated and qualified labor supply as, conversely, by the proliferation of work opportunities without sufficient guarantee of stability, income and working conditions to enable full and permanent integration into one's community of belonging.

### 3. Flexibility and heterogeneity in contemporary work biographies

Industrial restructuring and tertiarization pose a series of difficulties for the forms of regulation of the employment regimes that developed during the intensive historical cycle. On the one hand, these processes do not reduce the need to sustain high-productivity work careers with highly articulated systems of support and selection. On the contrary, the further rise in productivity and the advent of automated and computerized systems have meant the end of the Taylorist organization of work, which used poorly qualified labor and relied entirely on intense work tempos and the fragmentation of tasks. What is needed today is an all-round basic education, occupational training and refresher courses and a welfare system that guarantees physical health and mental alertness; but the continual support of a dedicated family is still useful, even in the less familistic contexts. At least as regards male professional careers, those of married men (with or without offspring) are on average decidedly more brilliant than those of unmarried men. For obvious reasons, the exact converse applies to women: those who are unmarried have reached career levels on a par with unmarried men, while those who are married lag far behind, especially when compared

with married men (Facchini, 1997). The simple explanation for this starts from the observation that all the intensive breadwinner and gender-based division of labor regimes have been constructed on the complementarity between the husband's performance in his work career and the specialization and dedication of the wife in supporting and care activities. Career women, therefore, find themselves in work itineraries that require a high degree of supporting care (that typically supplied by a wife) but which they are generally unable to obtain. Hochschild's research clearly shows that neither an, unusual, domestic commitment by the husband nor servants, babysitters or housekeepers are an effective way of dealing with the deficit in care support, particularly where there are small children (Hochschild, 1989).

Within the transformations under way, moreover, the decline in high-productivity careers in manufacturing is counterbalanced by the increase in similar careers in the advanced tertiary sector (banking, financial services, industrial research, advertising and marketing, data elaboration and diffusion), in professional fields, and in political bureaucracy and public and private welfare services. In many cases, the stressful intensity of political competition and professional responsibility may be even higher than that caused by the production mechanisms of market competition. All this signifies that the selection and support of high-productivity and constant-income forms of work continues to be a requirement for regulation and that a minority of workers only enjoy the privileges from high productivity in ways that contrast with those of other workers. The familial synthesis of socio-employment equilibria in the adult male head of the household on a family income is working less and less as a reducer of imbalances and employment polarization.

On the other hand, the current employment transformations are giving rise to low-productivity and specialized<sup>15</sup> work opportunities that have undermined the capacity of regulatory systems to complement such situations without creating areas of chronic social disadvantage. The broad reach of public services along Swedish lines, a marked spread of precarious work though hand in hand with high American-style mobility, the technological and innovative adaptation of micro firms and the modification of female domestic segregation in the Italian or German way: none of these is any longer sufficient. Flexibility, precariousness, low-income jobs are becoming more and more an open wound in the labor regulation regimes, because they hit the forms of social integration built

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<sup>15</sup> In many care jobs, professional competence is conventionally devalued by the fact that such activities have not entirely entered the capitalist circuit and are, at least in part, undertaken by wives or mothers at no cost. In this case, there is a persistent polarization between the specialist care professions, among the most highly paid and esteemed (like, for example, doctors and psychiatrists) and the professions held to be more general and close to the activities free of charge by women; they slide down the scale even when they enter the capitalist circuit and require long periods of professional training - the clearest example is that of the nursing profession.

on fragile balances dictated by the need to support high-productivity employment profiles.

The search for flexibility together with social integration has relaunched self-employment and family micro businesses also in contexts of high proletarianization<sup>16</sup>. On the whole, the dualism of the more intensive and productive forms of wage labor and the more extensive and flexible forms of self-employment holds as a mode of regulation where the gap in productivity can be offset by innovations that exploit flexibility rather than by lengthening the extensive working life, reinventing or adapting a subsistence economy (typical, for example, of rural indigence). These virtuous complementary conditions cannot be applied in all the diverse contexts and areas of working activity because they require a stable solidarity-based family and social fabric and the technical possibility to raise the productivity of more discontinuous forms of work within the organization of micro enterprises. On this front, artisanal and manufacturing firms have been able to benefit from technologies developed by large enterprises but subsequently adaptable on a reduced scale (from electrical systems to microelectronics) and, in some contexts, from local organizational networks that have offset the disadvantages from low economies of scale. But such solutions are not valid for the entire heterogeneous sector of services, above all for work-intensive low-qualified personal care.

What was said above with regard to self-employed careers and those in micro enterprises in agriculture and the traditional tertiary sector in Spain and southern Italy also applies to this area. Namely, work itineraries are less and less desirable as they do not provide sufficient material and social resources for survival at acceptable standards of life and for acceptance in one's own community of belonging. The extension of working times and lives and the greater utilization of family, kinship and community solidarity are no longer able to compensate for low labor productivity in social and cultural contexts with a high cost and standard of living and a general expectation of upward social mobility. For these reasons the vitality of self-employment and of micro enterprises does not constitute a generally applicable solution vis-à-vis the need to find a balance between the diffusion of more flexible work modes and the deficit in social regulation that these modes entail. Even within self-employment and small family businesses a growing rift is opening up between, on one side, traditional circuits, which are in growing difficulty and less and less feasible for new generations socialized into behaviour and expectations typical of a high-productivity context, and on the other innovative circuits that create a balance between

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<sup>16</sup> Among European countries, the UK is the one that, starting from a low level, shows the biggest increases in the share of self-employed. In contrast, the countries of southern Europe, where levels are still decidedly higher than the average, show a slight decline in the same share; but this does not go against the underlying trend. The decline is due to the reduction in the self-employed in agriculture and, to a lesser extent, in the more traditional sectors of trade and handicraft. In these countries, too, the share of self-employed workers in the advanced tertiary sector and some branches of industry is rising.

flexibility and acceptable life conditions but which cannot be extended to all sectors of the economy and are unlikely to get a foothold in contexts characterized by social disintegration<sup>17</sup>.

Demographic transformations also help to destabilize the regulation of working lives. Besides longevity, the instability of marriage and low fertility rates are modifying the interface between family support and working careers in the direction of a growing polarization between more stable and more unstable and socially isolated family situations. Not only do nuclear families based on a couple with young dependent offspring occupy a decreasing part of the life cycle, they also involve a declining share of the population in ever more heterogeneous conditions. Furthermore, the drop in fertility weakens kinship networks above all to the detriment of those situations in which kinship solidarity constitutes a resource for micro entrepreneurship and family care work. The heterogeneity of family forms, characterized by rising proportions of single-parent and reassembled families and single person units, intersects with the polarization between families sustained by a single high income or many incomes and those sustained by a single, and more and more frequently, discontinuous income or excluded from work and forced to turn to welfare (Pahl, 1988 and 1988a). In other words, whereas increasing economic demands make it necessary for all plural households to rely on more than one source of income, a large share of the population still depends on a single low income, which is increasingly reflected in the spread of poverty<sup>18</sup>. Pahl, moreover, insists on another worrying aspect of this transformation. Multi-income families make many acquaintances during work which are useful for improving their own working careers and finding jobs for their children or kin. This is not the case, however, for families supported by unemployed or precarious workers, which are even more in need of such acquaintances in order to change a difficult employment situation (Morris, 1990; 1992; 1995). In addition, self-provisioning opportunities - all those repair and improvement activities related to one's own life and dwelling done directly by household members using state-of-the-art equipment - are only feasible for middle-income families who are well inserted in a stable social fabric, especially if they are homeowners. Low- or precarious-income families in more unstable and degraded social situations are excluded also from these modernized forms of self-provided consumption. Another way of putting it is that what until a few decades ago was a defensive strategy of the poorest rural families has now become merely an opportunity for middle-income groups further to improve their standard of living vis-à-vis that of low-income groups. Under these conditions,

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<sup>17</sup> In the Italian case, the persistent division between the more dynamic centre-north, with its lower rates of unemployment, and the south, underdeveloped and characterized by very high rates of joblessness is also the outcome of the strong diffusion of small dynamic firms in the north, while in the south predominate inefficient traditional enterprises in agriculture, building, petty commerce and services, which are unable to provide new jobs for young people.

<sup>18</sup> In the case of Italy, this process provides the most convincing explanation for the growing concentration of poverty in urban areas in the south (see Mingione, 1996).

therefore, the rift between "work-rich families" and "work-poor families" turns into a real circuit of social polarization (Pahl, 1988a).

The big employment changes of the last few decades have been variously interpreted as contingent phenomena that require modifications to the iron laws of market mechanisms or as an epochal transformation of the same mechanisms, now at the mythical stage of globalization. However, market tensions have long since learned to cross borders, though obviously in historically changing ways. It has been above all the debates on informal activities and jobs<sup>19</sup> and, subsequently, that on the formation of an underclass<sup>20</sup> - a group institutionally and chronically excluded from opportunities and life conditions typical of one's own community - and on social exclusion which have pointed to the node of the social regulation of working activities as a critical point in the transformations under way.

We can speak of a crisis in wage-work regulative regimes not so much because they are too rigid and costly vis-à-vis the new demands of global competition - this is what the majority of politicians and social scientists conditioned by the market paradigm still believe - but because, under the economic, social and demographic conditions that are developing, these same regimes engender rising levels of social disintegration that end up eroding the potential for cooperation indispensable for the functioning of an economy, necessarily embedded in a social order.

The fundamental question, therefore, is not the direct cost of education and training of labor in high-productivity manufacturing and economic services exposed to international competition. These sectors employ a declining share of the workforce. Their capacity to control the relation between the cost of labor and productivity and market share depends on social and political factors that

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<sup>19</sup> The debate on informal activities in the industrialized countries went through a particularly intensive phase during the 1980s. The term "informal" was used for the first time by Hart (1973) in a study for the International Labour Bureau on the urban economy of an African city (Accra in Ghana), characterized by a persistent mix of subsistence activities with precarious market-oriented jobs. Towards the end of the 1970s, the term was imported into the industrialized countries to indicate no longer a sector and a particular locality but activities and forms of work that avoid state controls because either they are not identified, recorded and taxed (like occasional jobs and self-provisioning) or they are carried out in violation of existing regulations (like undeclared multiple activities and work as an employee without a contract, national insurance and taxation) (Ferman et al., 1978; Ferman and Berndt, 1981; Pahl 1984).

<sup>20</sup> The term "underclass" was created in the US with particularly in mind the life conditions of Afro-Americans concentrated in the big city ghettos (Wilson, 1987 and 1990) while that of social exclusion came much more recently into the debate, also at an official level, within the countries of the European Union (Castel, 1995 and 1995a; Silver 1996). See the first and last chapters of Mingione (1996a) for a discussion of the connection between the two concepts of *underclass* and social exclusion and for references to the relevant literature.

explain why in the global economy highly diversified wage levels can continue side by side and why industrial restructuring has been intense but only undermined the productive hierarchy to a limited extent. It is the division of labor typical of high-productivity wage regimes that has entered into a crisis since the ever widening area of social care activities, unpaid or too low-paid to be economically viable, has outstripped the redistributive capacities developed in various ways by the intensive regimes.<sup>21</sup>

The crisis of the intensive division of labor is reflected in two distinct syndromes present to varying degrees in all the models and variants. The more the redistributive modes are defended and extended to offset the growing deficits in social care, the more the crisis takes on the form of growing costs and rigidity, as happens above all in continental Europe. Conversely, the more the redistributive modes are allowed to decline so as to foster the spread of flexible and atypical forms of work, the more the crisis is reflected directly in increasing poverty and forms of social exclusion, as is the case above all in the US and the UK. Both these processes are syndromes of the crisis and thus cannot be interpreted as regulative innovation strategies. It is for this reason that neither the all-out defence of welfare programmes nor deregulation are giving rise to new and lasting prospects of synergy between economy and society.

#### 4. The confines of inclusion and exclusion in diverse socio-economic contexts

The problem of social exclusion lies not so much in the presence or extent of inequalities or social unease. The intensive regimes were characterized by marked inequalities and widely felt unease. But both phenomena were attenuated by the growth dynamics and redistributive mechanisms that prevented conditions of chronic disadvantage from crystallizing and transformed both transitory problem syndromes and structural discrimination into synergetic factors that, in turn, fed further economic growth. In a certain sense, rural indigence, the extremely tough social selection of immigrants, minorities and recent urban migrants, and gender discrimination constituted essential key ingredients in feeding intensive growth and consolidating the forms of social integration

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<sup>21</sup> The crisis of the redistributive balance takes place also in the conservative variants of welfare capitalism even if it is less visible from a macro redistributive point of view as a persistently large part of care and support activities takes place in terms of unpaid female work in the family. On the one side, the support of the family wage by public transfer payments is eroded by the decline of stable forms of male employment and by the fiscal crisis of the state confronted with increasingly complex and heterogeneous needs. On the other, the diversification of household forms and the massive, even if delayed, entry of women into the labor market weaken the efficacy of the familial micro redistribution processes.

typical of that historical cycle. Today, on the contrary, the flexibilization of working careers and the instability and heterogeneity of family biographies reflect not only a higher degree of individualism and freedom of choice. Because the new production regime enforces discontinuities and frequent passages through situations in which individuals are not sufficiently protected by family, community, work or state resources, many people end up in difficulties that tend to become chronic and, hence, with a large deficit in social integration. This deficit consolidates an area of disadvantage which has high economic costs and does not lead to sufficient advantages favouring further growth<sup>22</sup>.

The failure of the current large-scale strategies for attacking or defending the intensive welfare balances confirms the diagnosis: the transition requires a redesigning of social regulation that cannot be obtained by speeding up the process of rendering family and work biographies more precarious or by defending to the utmost the guarantees and divisions typical of the welfare systems. Indeed, apart from partial, sectorial and temporary outcomes, by speeding up the dismantlement of welfare the strategies accompanying the transformation not only increase the production of poverty and exclusion, but also do not engender competitive conditions leading to economic superiority in the global market, as demonstrated by the cases of the UK and the US. At the opposite pole, all-out defence of welfare institutions does not just create problems for the state's finances and inhibit the development of innovative forms of economic organization; it is not even able to check the erosion of integration balances, as the cases of the countries in continental Europe demonstrate. Before concluding, we need to return to the social exclusion syndromes in the diverse models of welfare capitalism in order better to understand why flexibilization and deregulation or the defence of intensive-regime institutions and guarantees cannot succeed by themselves in bringing about new dynamic growth regimes, even though they are largely dominant as feasible political strategies for attaining goals of economic efficiency and prosperity.

In the case of the US and the variants of the laissez-faire model, the last twenty years have been dominated by strategies of privatization that foster the spread of atypical jobs within an unstable and heterogeneous demographic context. These strategies manage to contain unemployment and public spending but, at the same time, they create a large number of families supported by workers on inadequate incomes and widen the gap between areas of society where the advantages of financial speculation are concentrated and chronically disadvantaged areas. Within these models the social crisis is alarming and re-

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<sup>22</sup> In a recent article significantly entitled „Positive functions of the undeserving poor: uses of the underclass in America“, Gans (1994) dwells on the functions taken on by even the acutest forms of poverty, especially in terms of drawing an artificial line between success and failure that ends by consolidating the social links between those who are integrated to the detriment of the excluded. The American sociologist's thinking is plausible but underestimates the impact of the erosion of sociality bonds and, consequently, of the minimum conditions permitting economic cooperation.



gards above all the fact that a sizeable minority, generally segregated in ghettos or rundown neighbourhoods in big cities, endures very hard life conditions, is cut off from any prospects, opportunities and rights and has no hope of benefiting from any upturns in the economy because overwhelmed by a malign circuit of drift that is difficult to stop<sup>23</sup>. But the real problem is that from a strictly economic standpoint, these strategies do not bring any significant advantages in terms of competitiveness and development. The effects from the flexibilization of work careers are concentrated above all in services while deregulation and the worsening social climate lead to difficulties in the training, selection and support of high-productivity workers and, hence, render the industrial structures vulnerable to penetration by foreign capital. In this respect, the case of the UK is significant<sup>24</sup>.

From an economic point of view, the UK today is to be envied: state finances in order; falling rate of unemployment; above-average economic growth. But underlying this miracle, based on the flexibilization of the labor market and dismantling of welfare guarantees, the economic and social picture is anything but rosy. The old manufacturing machinery that was already ill-suited to the requirements of the intensive cycle has been swept aside by de-industrialization (Massey and Meagan, 1982). The Thatcher reforms completed the job by undermining welfare guarantees in favour of financial specialization and an economy based on low wages and scarcely regulated working conditions. So today, on the economic front, "...British manufactures have 'the worst of all worlds', lacking the independence and power to move into high-value-added, small batch production but denied the stability and size of orders necessary to reap the traditional benefits of economies of scale" (Rubery, 1994: 336). At the same time, on the social front, a high and growing number of heterogeneous familial configurations supported by low and discontinuous incomes earned in private services and the new industrial structure, decentralized from

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<sup>23</sup> It is above all the recent literature on the ghetto poor and the underclass in the US that has brought into focus the interweaving of and prospects for the exclusion syndromes as malign circuits having an also negative economic effect (see Wilson, 1987, 1993, and 1996; Massey and Denton, 1993; Katz, 1993; Kazepov and Mingione, 1994). In these cases a thorough study has been carried out of the negative intertwining between social, environmental and working conditions and of their impact in terms of making irreversible drift towards marginalization. This situation affects above all a part of the black and Puerto Rican minorities that have remained segregated in the big city ghettos after the relocation of the new middle classes from these communities to the suburbs. One of the most worrying problems in the American case is that the exclusion syndromes are spreading to other minorities, starting with the substantial and growing group of Central-American immigrants (Moore and Pinderhughes, 1993).

<sup>24</sup> Rubery (1994: 335-6) points out the most significant aspects of this syndrome. "Britain is becoming notorious within the European Union as the one country not to endorse the high-skill, high-value-added model for the future of an integrated Europe....The UK is content to compete for jobs and for trade on the basis of low wage levels, even at the expense of productivity....Flexibility in the production systems in many consumer industries has thus been used to provide flexibility to the the large and dominant retail chains and not to enhance the market position of the producer."

abroad and dominated by commercial considerations, or excluded from the labor market (Buck, 1996) lie below the poverty line and passively submit to a strong attack on social integration<sup>25</sup>. The erosion of a minimum climate of co-operation indispensable for sustaining a market economy is already far advanced, although it has not reached the level of acceleration typical of the US. Those most hit by exclusion syndromes are above all the former working-class population in the de-industrialized cities, like Liverpool and Newcastle, the more poorly educated West-Indian minority destined for the more humble jobs in the private tertiary sector and the single-income families supported by women confined to low-income part-time jobs. The basic picture is worrying because the partial economic success of this model offers this growing minority of the population no opportunities for escaping from difficult life conditions, bordering on exclusion and lead to tensions that risk bringing about a further deterioration. The inability to modernize and innovate the educational and vocational training systems, the abandonment of preventive policies in health and deviant crime, and the deterioration in public services enlarge, in connection with the greater instability of family and work biographies, the bottom layer of the population at risk of marginalization. All this, while increasing advantages are being cumulated for an industrial structure that is less and less controllable on a national scale and for an increasingly speculation-oriented elite. Under different conditions, models of this kind appear to renew a circuit typically found in processes of underdevelopment rather than to produce synergies between different conditions of economic growth and forms of regulation compatible with the new features of individualism and familial and occupational instability.

The case of the UK helps to show that the new regulatory models for fragmented societies cannot rest on the low cost of labor and flexible and unstable employment conditions. The US confirms this hypothesis in a different version since the latter is founded on the transformation of the dualism between the official high-productivity economy and the poor but dynamic economies of immigrants and minorities towards a heightened polarization, in which the transition erodes the prospects of mobility that characterized the intensive regimes. In this case, the appearance of economic success derives not only from the low unemployment levels and increasing cheap flexible and atypical labor, above all in private services, but also from the strong financial drainage and the expansion of employment in the tertiary economy of global cities (Sassen, 1991 and 1996). These phenomena were inherited from the intensive hegemony of the US and are still reflected in the country's political and military power and in a, though decreasing, technological supremacy.

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<sup>25</sup> Particularly evident is the increasing poverty among "...women not embedded in the standard nuclear family, as women's wage and employment opportunities are still geared to second-income-earner status" (Rubery, 1994: 349). In this case too, it is the combination of rising numbers of vulnerable familial configurations and poor employment opportunities and biographies -in the UK women jobs are above all part-time - that produces the increase in female poverty.

However, also the American model has its costs and negative synergies. It is not only a question of the critical situation in which the most disadvantaged minorities in the big city ghettos are trapped, or the fact that for the last twenty years the US has held the negative record for the highest share of population below the poverty line among industrial countries or that the cost of social control and repression (police forces and prisons, the legal system) is high and growing out of control. The American model is now undermining both the foundations of social stability that guaranteed living conditions for a broad middle stratum of blue- and white-collar workers, employed in the large vertically integrated groups, and the conditions for economic mobility that allowed the integration of increasing masses of immigrants and fed the dynamic dualism typical of the intensive synergy. On both fronts, areas of chronic marginalization are emerging that bring no economic benefits. In the first case, there is an increasing number of middle-aged subjects who are made redundant and forced to accept worse employment conditions and of young people with an average education and high expectations who remain trapped in unstable and underpaid work itineraries in private services. In the second case, there is the uncertain destiny of a high number of Central American immigrants who stay trapped in precarious employment with no outlets either in ethnic enclaves or through occupational promotion. Here we have, among other things, a slice of the population at a high level of fertility in which precocious and numerous families are formed and whose children suffer discrimination in terms of language and access to adequate educational and training services. Thus, a clear rift is opening up between the demographically more dynamic part and the rest of the American population. The uncheckable rising poverty among Hispanics and the parallel discrimination and closure towards clandestine immigrants are signs that a period is coming to a close in which immigration was a process with a high human cost, but was undoubtedly significant for its synergy with the model of economic development centred on the growth of big high-productivity industry and consumerism.

In almost all the other variants, strategies in defence of welfare tend to prevail even if in circumstances marked by the alternation of different political coalitions, more or less favourable to the socialdemocratic regime of rights won by organized trade unions, and by the financial problems besetting national states. Nor does the defence of welfare structures represent an innovative answer to the problems caused by the transition, above all because it repropose excessive protection favouring breadwinner regimes, covering a declining share of the population, and leaves few resources for the protection of a growing area of difficult social situations. This kind of approach is generally opposed by economists as it leads to increasing costs and rigidities and hinders the spread of flexible low-cost forms of work that, in theory, should encourage a new process of growth. Sociologists, on the contrary, are in principle more favourable to welfarist policies since they are sensitive to the fact that such policies are able to keep a certain degree of control over the destabilization of the social situation and to check the faster development of chronic poverty and exclusion;

moreover, they are more sceptical about the prospects for growth models based on low-cost labor. In this debate, the importance that sociologists attribute to medium- and long-term prospects and to the phenomena of "reflexivity" of social constructions also comes into play. In this sense, it is assumed that by destroying the potential for cooperation, the complicated interplay of feedback and unexpected effects causes irreversible and unforeseeable damage not only to the social order but also to economic equilibria<sup>26</sup>.

The more fragile confines of the defence of welfarist structures are marked by two interconnected questions: immigration and unemployment<sup>27</sup>. All advanced industrial societies, characterized by a radical tertiarization and a reduced demographic dynamic, are attracting a growing number of immigrants to be confined in the least skilled services and at the same time show a deficit in continuous work opportunities that meet the expectations of the indigenous population. This represents a problematical combination for the social and economic structures. The immigrants are indispensable for keeping down the cost of increasingly privatized services; but it is precisely for this reason that they are confined in an area of persistent marginality with low incomes and limited access to citizenship rights. Masses of drifting immigrants from a wide variety of localities have few possibilities of consolidating forms of ethnic solidarity and are exposed to the perverse circuit of discrimination. The contextual rise in unemployment levels encourages the belief that immigrants take jobs and resources away from the indigenous population, thereby activating a controversial political circuit conditioned by a besieged fortress mentality according to which a mass of foreigners, beggars and deviants undermine citizens' living conditions and their security. The need to keep the borders open to a quota of immigrants for use in low-cost services clashes with a climate of intolerance fuelled also by the fact that the very scarcity of the resources available for immigrant insertion, since tailored to the requirement of holding down the cost of services, makes itineraries of even selective integration of immigrants problematical. All the major countries of continental Europe are plagued by this problem, which ends in the creation of an area of uncontrollable social exclusion.

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<sup>26</sup> See apropos, among others, Boudon, 1984; Bauman, 1993; Giddens, 1990 and 1991; Beck, Giddens and Lash, 1994 and also the essay by the intellectual financier Soros (1997) on the open society.

<sup>27</sup> The only exception of some weight is Japan, where both the growing migratory invasion, which is also, within certain limits, beginning to be a problem (Sassen, 1991) and rising unemployment are kept under tighter control by the rigid dualistic balances between *core* sectors, subsidiary sectors and the complementary role of family and kin, as always characterized by heavy discrimination against women. But in this case too, the intensive balances are in crisis because overextensive subsidiary sectors and more and more fragile families overburdened with responsibilities are unable to complement further the developments of the big groups, increasingly oriented towards global financial speculation.

On the unemployment front, the situation is just as controversial and engenders moves to destabilize welfare structures that follow two different lines according to whether the unemployed receive benefit, as in the socialdemocratic and statist variants, or do not receive any public income supplement, as in the familistic variants (Therborn, 1986; Pugliese, 1993)<sup>28</sup>. In the first case, the structural increase in unemployment has direct repercussions on state finances and forces reductions in benefits and/or cuts in other welfare programmes, which is inevitably translated into the undermining of social support and the widening of the area at risk of exclusion. The welfare blanket has become too short on all sides and this is giving rise to conflicts that are difficult to control in the context of an employment structure that is producing a diminishing proportion of sufficiently stable and adequately paid job opportunities. On the other hand, employment trends cannot be manipulated within the dualistic structure imposed by high productivity and are less and less sensitive to cyclical phenomena. In order to address the question structurally, a radical transformation of the occupational system is required that can rediscover care and support activities and redistribute productive tasks so as to close the deficit in socially self-sustaining work opportunities.

In the familistic variants, unemployment chiefly translates into a block on entering the world of work for young people and women seeking a first job or a new one after an interruption due to maternity (Pugliese, 1993; Mingione and Pugliese, 1994 and 1995; Reyneri, 1996). Generally speaking, the unemployed are not maintained by state benefits but by their families during the long periods of waiting, or they live on their wits and do black work and occasional jobs. The high levels of long-term unemployment fuel the spread of economic poverty even though most poor families are not such due to the family head being jobless and the majority of the unemployed do not live in poor families (Mingione, 1996). Joblessness and poverty tend to be concentrated in the depressed regions and in areas badly affected by de-industrialization, above all in certain districts in the big cities. Here perverse circuits and areas of chronic social disadvantage come into being that turn into forms of exclusion, different in kind but with a potential to undermine social cohesion equal to those affecting the ghetto poor in the big American cities (Morlicchio, 1996 and 1996a). In these cases also, the welfare blanket, in its historically structured form and limited by financial circumstances, is too short to cover the problems arising from the transition without opening up deep splits in the existing social and economic fabric.

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<sup>28</sup> The main difference is between a large majority of the unemployed supported by unemployment benefits or, at least, by reasonably high minimum income subsidies in central European countries and a large majority of the unemployed, young or female, who are not entitled to any public transfer payments and survive because they are supported by the family and/or by access to casual and temporary informal jobs, as is the case in southern European countries.

In short, neither the approaches based on liberalization nor those in defence of welfare regimes are framing the regulative perspectives typical of fragmented societies. The third ways already exist but are not very visible and cannot be generalized, given that fragmentation leads to considerable dishomogeneity and the spread of local and sectorial experiences differing the one from the other.

At this point, some conclusive remarks can be made on what are the main critical nodes in the regulative reshaping of the transformation in progress. As has been seen, the employment transition brings about varied mixes of high unemployment rates and the spread of heterogeneous, unstable and, often, poorly paid work. This process helps to disarm the typically intensive (Fordist) integration mechanisms, which through a varied set of redistributive processes (public or familial) made social inclusion possible also for subjects with no income or with inadequate and discontinuous incomes. As the Dutch case has recently shown, where a large amount of voluntary part-time work has helped to reduce unemployment without any effect on the level of poverty, the new flexible work itineraries do not automatically lead to a rising deficit in social integration. This is only the case, however, when they come with new kinds of guarantees and protection that allow unstable and atypical workers to live in the cultural and social conditions of their own community of belonging.

The most important question emerging from our investigation is that the division between productive and reproductive activities, as it developed in the building of industrial economies, has been taken to its utmost limits by the intensive regimes and cannot hold any further. The reproductive area, devalued by the advent of monetary economies, can no longer remain self-supporting; at the same time, however, it has become too costly to be maintained by a smaller and smaller productive sector stifled by a virtual financial economy many times larger than the real economy. The crisis of welfare and the bureaucratic apparatuses, the growing importance of solidarity and voluntary associations and networks, the emphasis on activities for the common good, the heterogeneous configuration of support systems, the innovative revitalization of reciprocity institutions are the contradictory signals of this transition towards overcoming the now suffocating division between reproductive activities of low economic value and productive activities. The point is that it is on this very division that economic calculations and social regulation are still based, beginning with the socialization processes and the structuring of gender differences. In this sense, the construction of new regulative balances constitutes an extremely difficult transition. The massive entry of women into continuous work itineraries and the emphasis on equal opportunities - above all when accompanied by a less career-oriented downsizing of male occupational itineraries in favour of a redistribution of care responsibilities -, the increasing importance of social networks and agencies of solidarity and voluntary work within the more dynamic local economies, and the tendency to redesign working biographies in more flexible terms, with breaks for vocational training, cultural improvement and taking on

social responsibilities, are currents of transformation that can be useful for building new balances. These tendencies, however, meet with resistance not only from the cultural set-ups that developed during the intensive cycle but also from the strong claims made on the economy by the financial sector. The discord in the European Union over the Maastricht parameters is an example of a difficult dilemma involving opposed visions: that favouring the framing of new rules for the embeddedness of economic life and that advocating the sacrifice of social balance to the financial benefits of monetary integration in an area of productional supremacy but growing social tensions.

Another way of reading the transition's critical currents comes from the fact that the minimum balance between utilization of potential labor and satisfaction of needs has broken down. The intensive balances leave a growing share of labor power in a state of idleness or underemployment and, in parallel, an increasing number of needs unmet in the sphere of poverty, marginalization and exclusion (Lunghini, 1995). This widening imbalance is dictated by the "iron" rules of the market economy in which working activities and needs are rigidly measured in monetary terms. Self-consumption, unpaid reproductive activities, solidarity and social capital constitute marginal modalities within this system of rules for value-adding; hence they are, under many aspects, impracticable for linking on a large scale unused working energies with unsatisfied life needs. The history of industrial growth models is paved with the "submerged" importance of these invisible modalities, but always as appendices of a regime centred on the dominance of monetary relations. The question for the regulatory patterns of future societies is whether a different balance is feasible, one that is no longer subservient to the monetary regime and in which various combinations of unused working energies and unsatisfied needs help to create ways of living that do not stifle the course of the monetary economy, but do not end either in a growing deficit in sociality destined to jeopardize the minimum levels of cooperation indispensable for implementing socially embedded economic life.

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